



# Recent California Gasoline Prices

## California Energy Commission Actions and Recommendations

Assembly Committee on Transportation

Sacramento, California

April 1, 2004

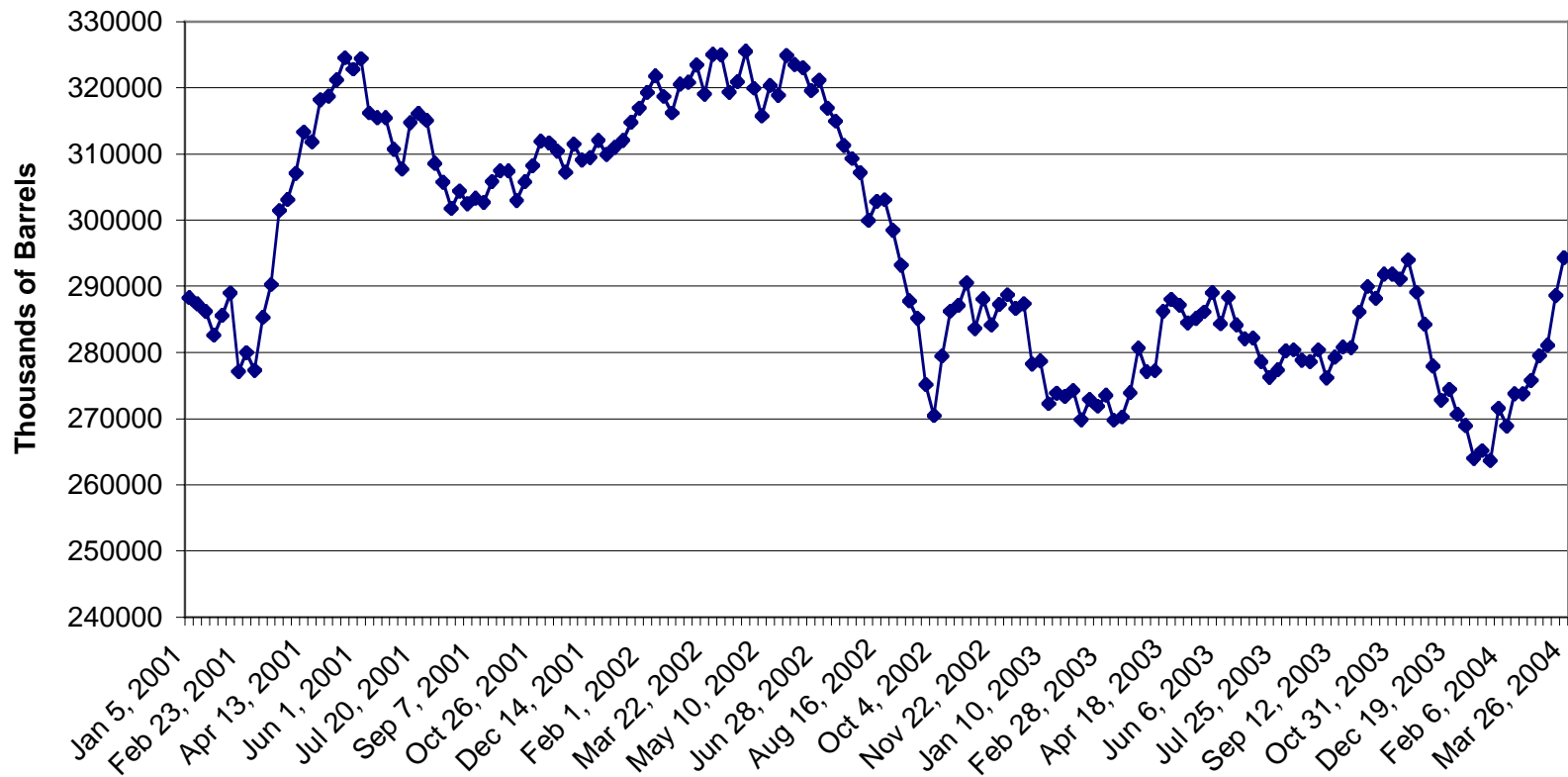
*James D. Boyd*

*Commissioner*

*California Energy Commission*



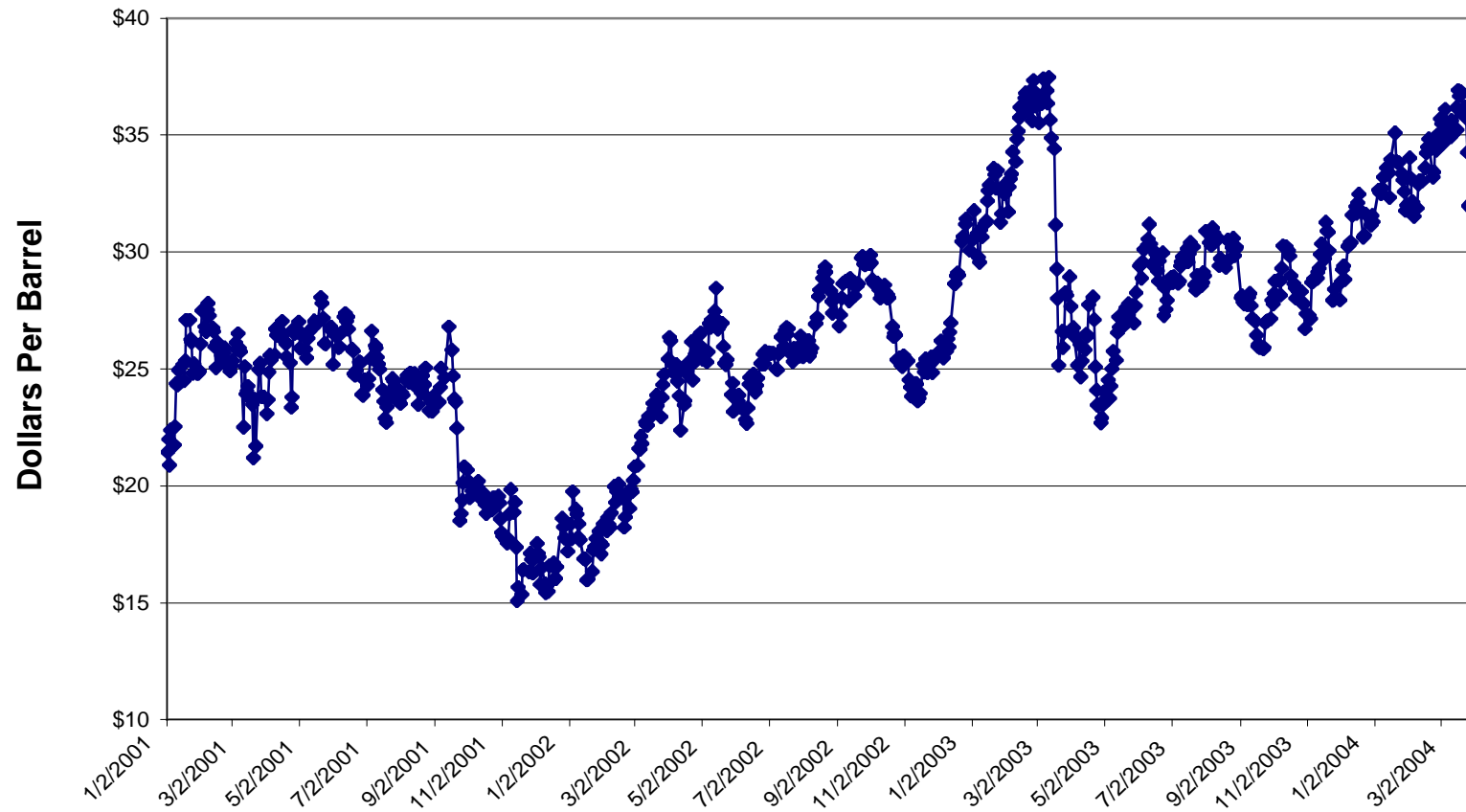
## US Crude Oil Inventories (Excluding SPR) (Jan 2001 to Present)



Source: U.S. Department of Energy



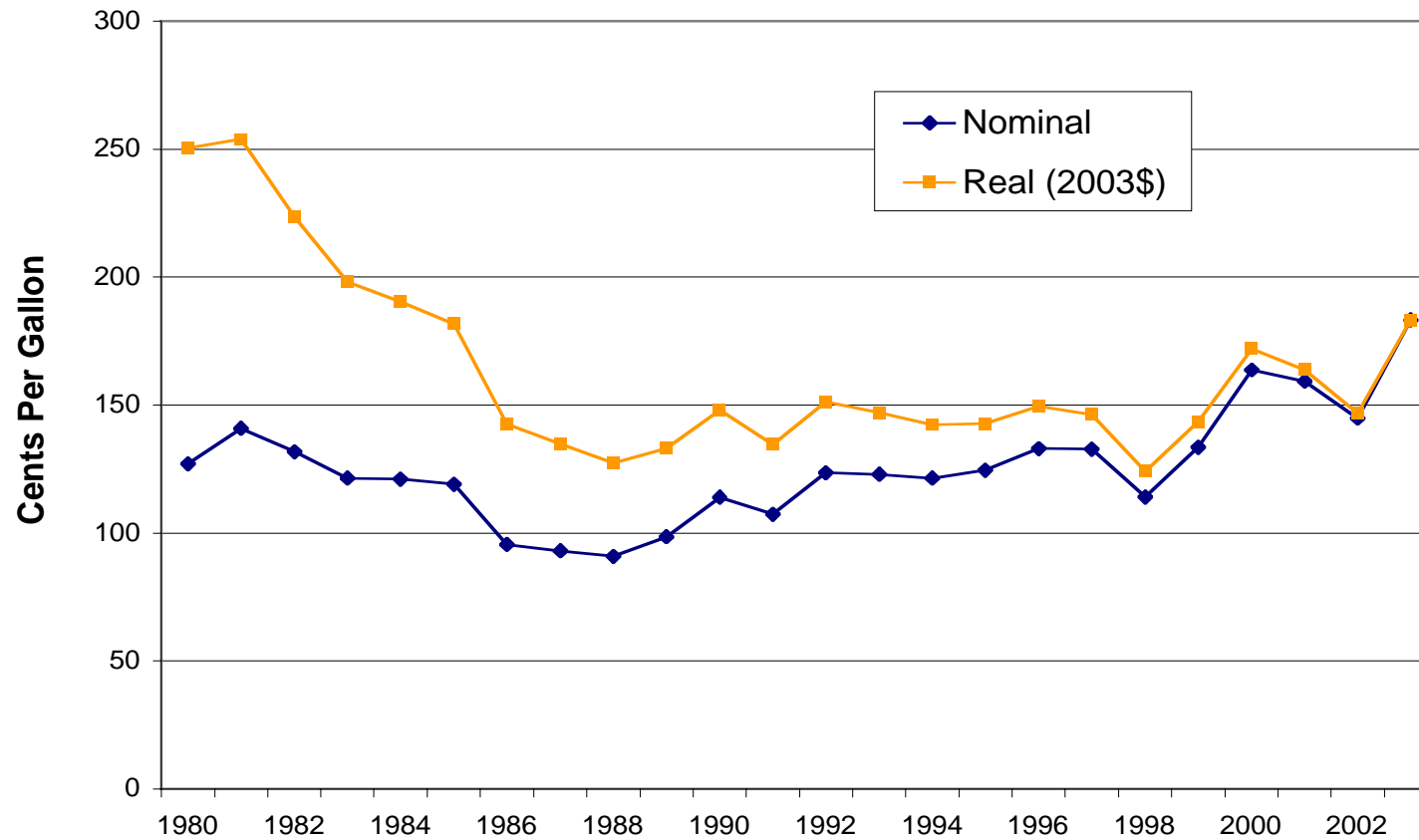
## Alaska North Slope Crude Oil Prices (January 2001 to Present)



Source: Wall Street Journal



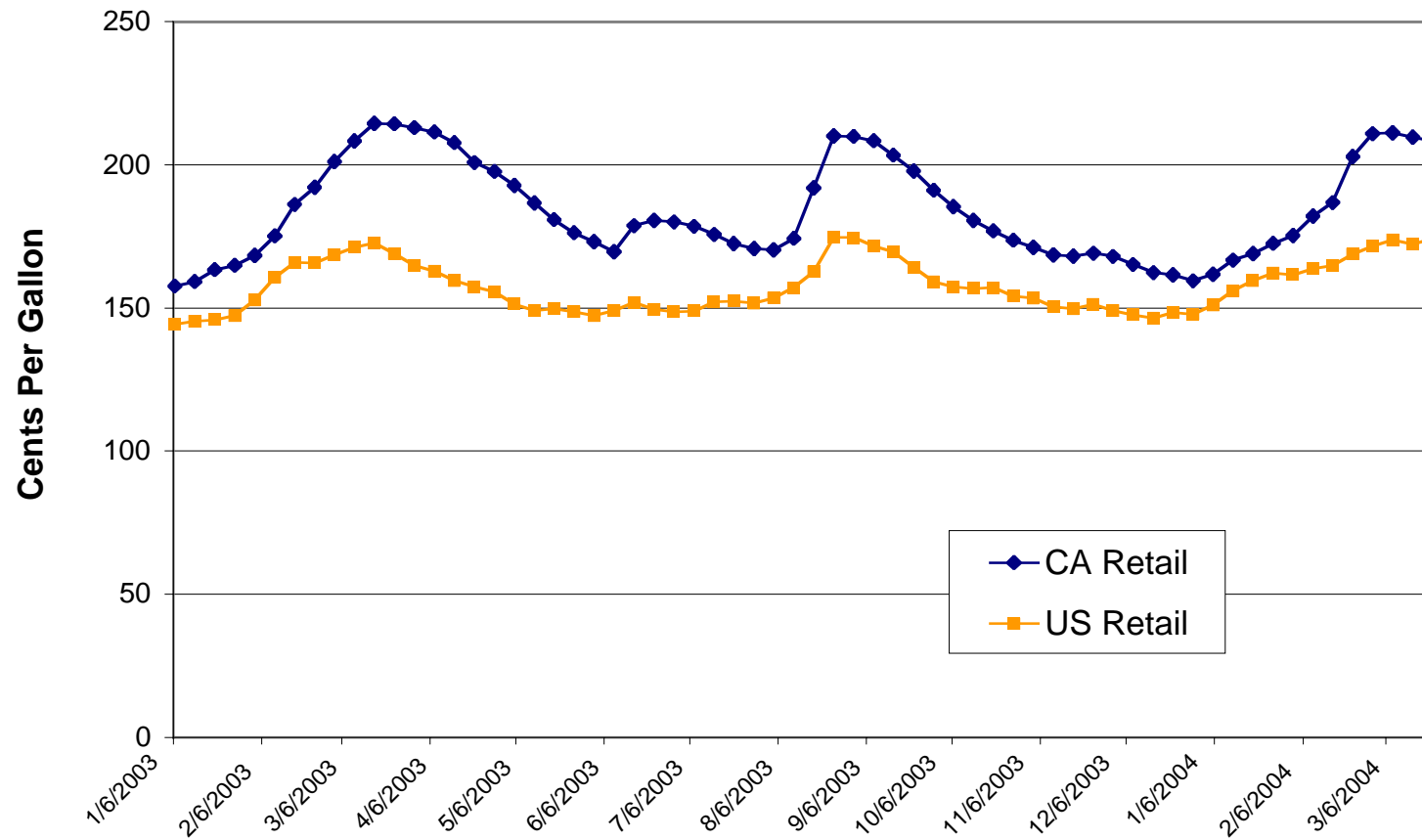
## California Retail Regular-Grade Gasoline Prices (1980-2003)



Sources: 1980-1995 U.S. Bureau of Labor;  
1996-2003 U.S. Department of Energy



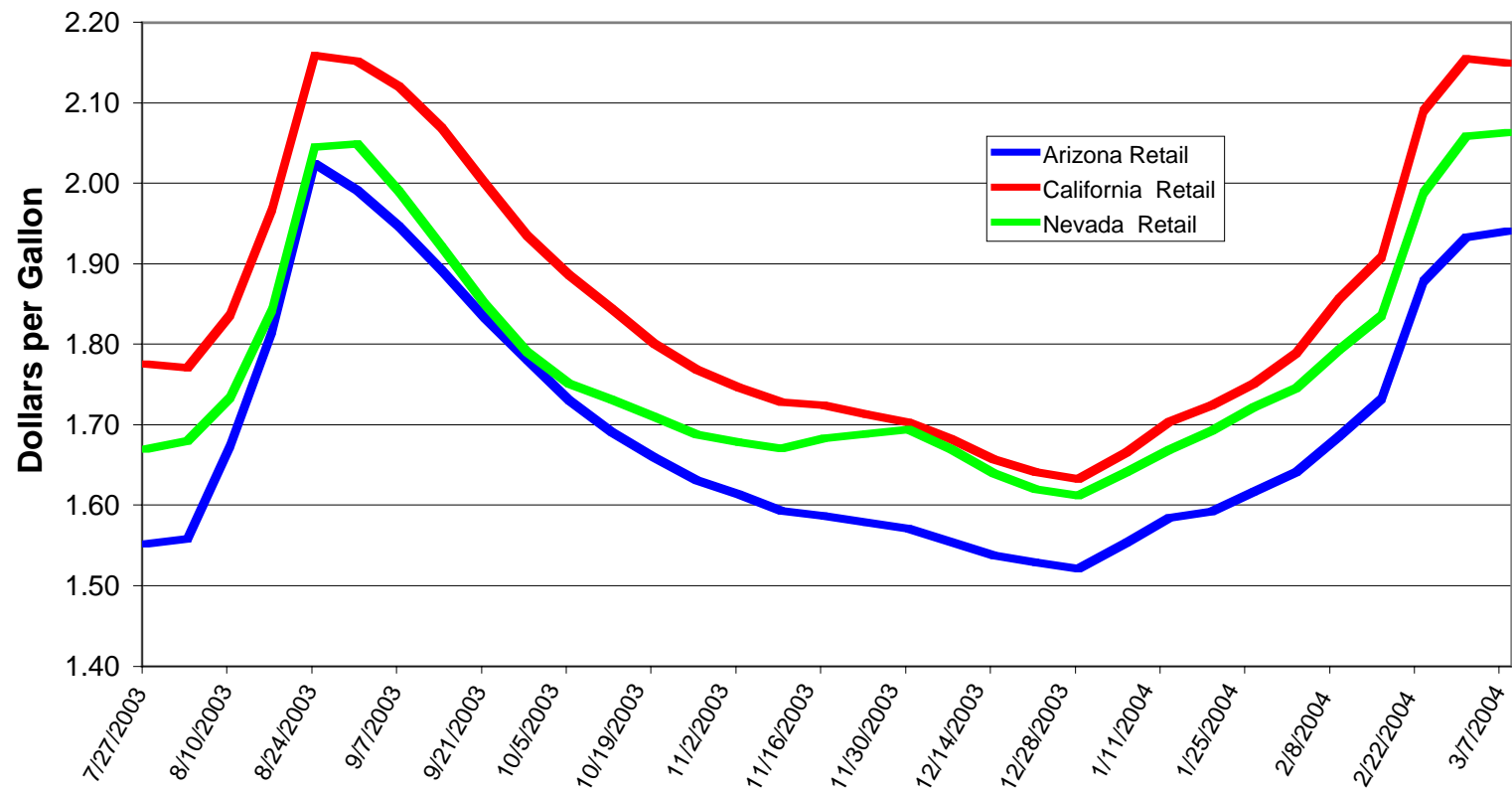
## California and U.S. Retail Gasoline Prices (January 2003 to Present)



Source: U.S. Department of Energy



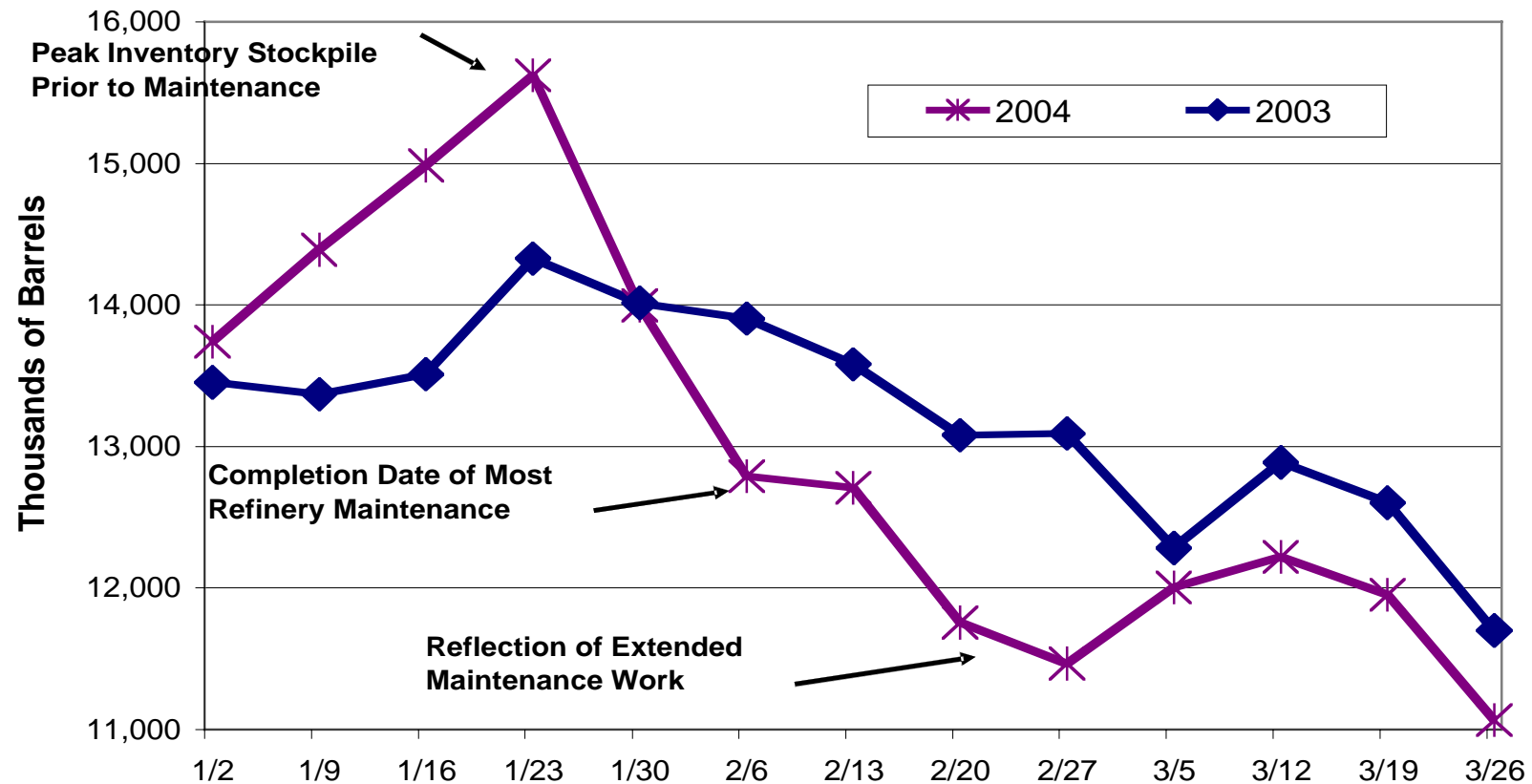
## California, Arizona, and Nevada Retail Regular Gasoline Prices (July 27, 2003 to March 17, 2004)



Source: Automobile Association of America



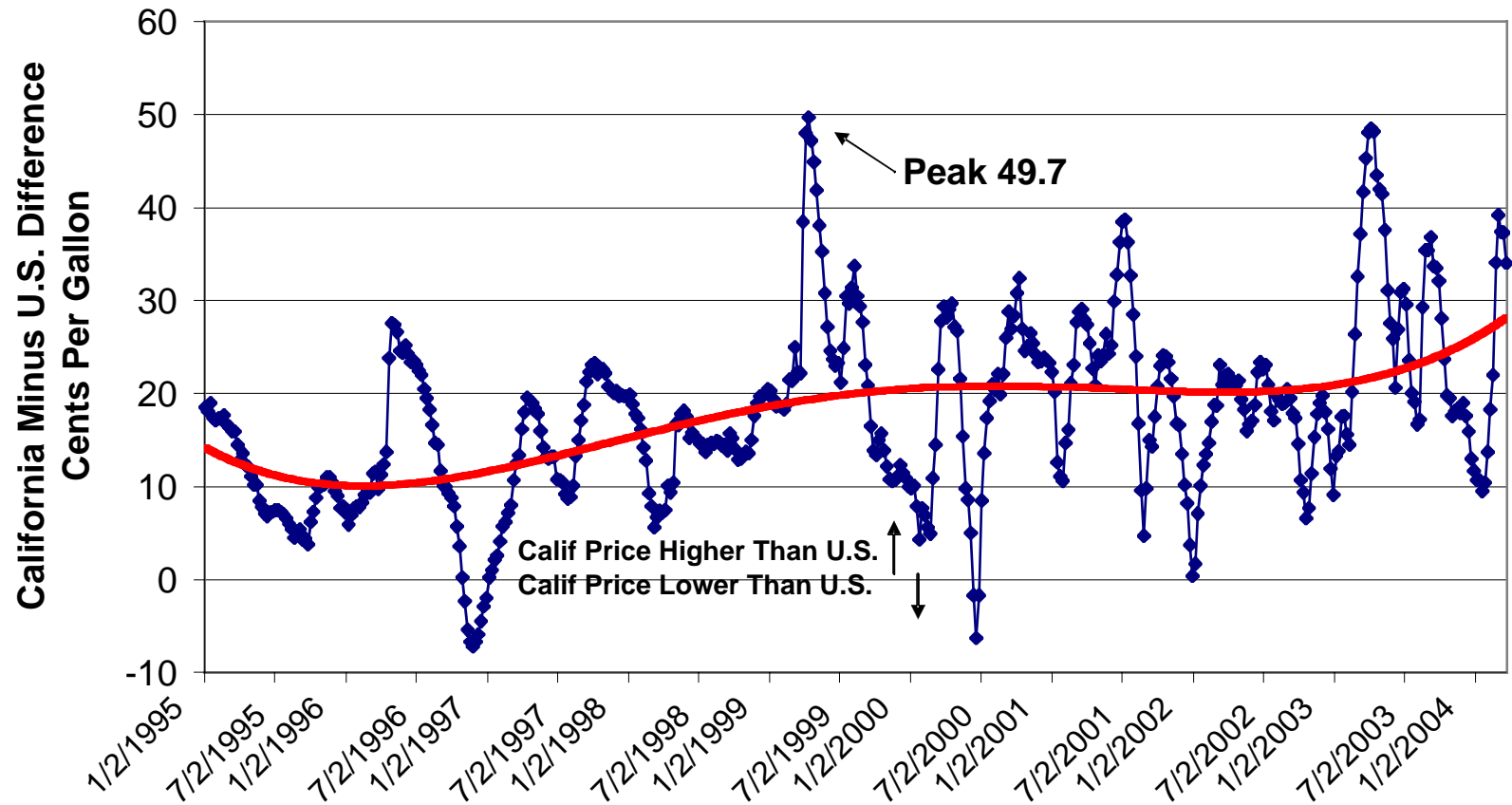
## California Gasoline Inventories (Comparison of Jan-Mar 2004 to 2003)



Source: California Energy Commission



## California Gasoline Volatility January 1995 to March 22, 2004







## Recent Commission Reports on Transportation Fuels Issues

*Feasibility of a Strategic Fuel Reserve in  
California*, Commission AB 2076 report, July 2003

- Concludes a Strategic Reserve would not work
- Recommends a comprehensive evaluation of California's petroleum infrastructure
- Recommends exploring ways to streamline permitting for petroleum infrastructure



## Recent Commission Reports on Transportation Fuels Issues (cont)

### *Gulf Coast to California Petroleum Pipeline Feasibility Study, August 2003*

- Does not appear to be an adequate supply of California quality blendstocks to justify construction of a new pipeline
- Concludes that construction and operation of a petroleum product pipeline is not a viable option



## Recent Commission Reports on Transportation Fuels Issues (cont)

*Reducing California's Petroleum Dependence,*  
AB 2076 Report, August 2003

- Joint study by CEC and CARB
- Options and goals to reduce on-road gasoline and diesel demand
- Conducted a comprehensive evaluation of fuel efficiency and fuel substitution options
- Recommend statewide goals and strategies to reducing gasoline and diesel consumption



## Recent Commission Reports on Transportation Fuels Issues (cont)

*Forecasts of California Transportation Energy  
Demand, 2003-2023*, Staff Report, August 2003

- Forecasts annual growth of 1.8 percent for vehicles miles traveled--higher than 1.4 percent population growth
- Forecasts annual on-road demand growth of 1.6 percent for gasoline and 2.4 percent for diesel



## Recent Commission Reports on Transportation Fuels Issues (cont)

*Transportation Fuels, Technologies and  
Infrastructure Assessment, November 2003*

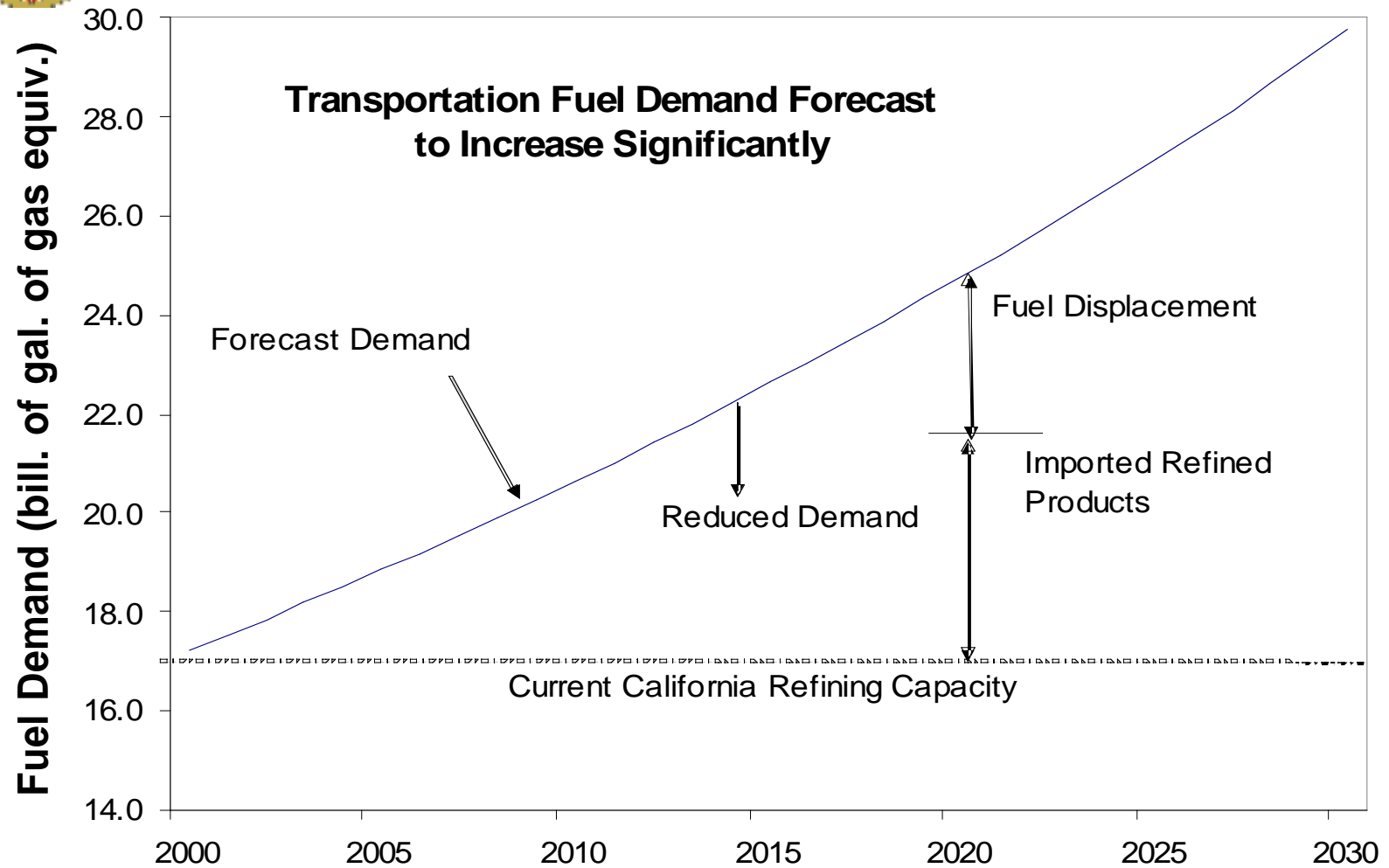
- Conducts an in-depth analysis of issues related to providing adequate, secure and cost-effective transportation fuels



## Recent Commission Reports on Transportation Fuels Issues (cont)

*Integrated Energy Policy Report*, November 2003

- Incorporates conclusions and recommendations of previous studies
- Recommends state actions for transportation, electricity, and natural gas energy markets
- Concludes future supply/demand imbalance in transportation fuels





## 2003 Integrated Energy Policy Report

- *“The demand for transportation fuels in California is increasing at an alarming rate, surpassing in-state refining capacity. California’s refiners rely increasingly on imported petroleum products to meet demand, and these imports enter through ocean ports facilities that are reaching maximum capacity. The industry must expand its import and storage facilities, otherwise supply constraints and price volatility will continue.”*





## 2003 Integrated Energy Policy Report (Cont'd)

- *“The inability of the petroleum industry to meet today’s needs without substantial price volatility causes concern about its ability to meet the growing demand for gasoline and diesel in the future. Without assurances from the industry how they will meet growing demand, the state must take aggressive steps to safeguard consumers and the California economy against more severe supply disruptions and price volatility.”*



## Recommendations of *Strategy to Reduce Petroleum Dependence* (2003) and *Integrated Energy Policy Report* (2003)

- Reduce petroleum consumption to 15 percent below 2003 levels by 2020
- Increase alternative fuel use to 20 percent by 2020
- Double fuel efficiency
  - Increase CAFE standards
  - Increase penetration of hybrid fuel vehicles
  - Adopt tire efficiency standards

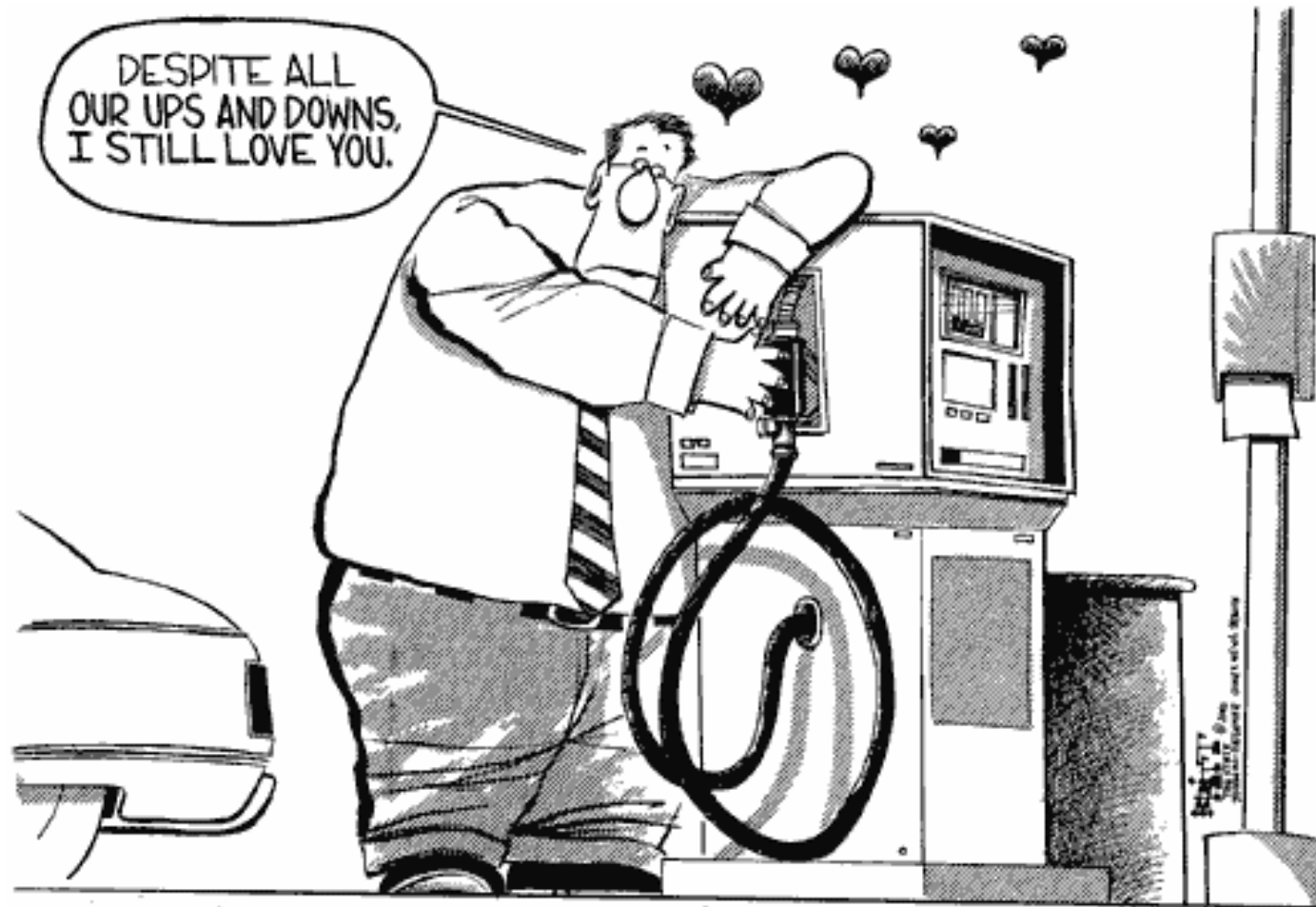


## Current Actions

- Continuing to pursue U.S. Environmental Protection Agency oxygenate waiver
- Working with industry to improve collection of petroleum data
- Undertaking a comprehensive petroleum infrastructure evaluation
- Exploring with stakeholders ways to streamline permitting for petroleum infrastructure
- Conducting a stakeholder-driven process to develop action plans for alternative fuels



## Price Volatility



CALIFORNIA ENERGY COMMISSION



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Visit the California Energy Commission's  
web site at: [www.energy.ca.gov](http://www.energy.ca.gov)